

# **Washington State Auditor's Office**

## **Audit Report**

### **Audit Services**

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Report No. 58205

**TOWN OF MARCUS**

Stevens County, Washington

January 1, 1994 Through December 31, 1995

Issue Date: May 16, 1997

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**TOWN OF MARCUS**  
**Stevens County, Washington**  
**January 1, 1994 Through December 31, 1995**

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**Independent Auditor's Report On Compliance With State  
Laws And Regulations**

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Mayor/Town Council  
Town of Marcus  
Marcus, Washington

We have audited the financial statements, as listed in the table of contents, of the Town of Marcus, Stevens County, Washington, as of and for the fiscal years ended December 31, 1995 and 1994, and have issued our report thereon dated December 31, 1996.

We also performed tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the town complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office.

Compliance with these requirements is the responsibility of the town's management. Our responsibility is to make a reasonable effort to identify any instances of misfeasance, malfeasance, or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the town and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an overall opinion on compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests indicated that, with respect to the items tested, the town complied, in all material respects, with the applicable laws and regulations referred to in the preceding paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that the town had not complied, in all material respects, with those provisions.

This report is intended for the information of management and the mayor/town council and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

December 31, 1996

**TOWN OF MARCUS**  
**Stevens County, Washington**  
**January 1, 1994 Through December 31, 1995**

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**Independent Auditor's Report On Financial Statements**

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Mayor/Town Council  
Town of Marcus  
Marcus, Washington

We have audited the accompanying statements of Fund Resources and Uses Arising from Cash Transactions of the various funds of the Town of Marcus, Stevens County, Washington, for the fiscal years ended December 31, 1995 and 1994. These financial statements are the responsibility of the town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the town prepares its financial statements on the cash basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

The budget information presented in some of the fund statements does not reflect the final amended budgets for 1995 and 1994. The following table lists the affected fund statements and the final amended budget resources and expenditures.

<u>Year</u>	<u>Fund No.</u>	<u>Fund Name</u>	<u>Final Amended Budget Resources and Expenditures</u>
1995	001	Current Expense	\$144,819
1995	102	Cemetery	2,017
1995	103	Arterial Street	3,119
1995	108	Equipment Replacement	3,420
1995	109	Law Reserve	1,405
1995	301	Fire Department	3,648
1995	302	Capital Improvement	10,952
1995	401	Water	26,624
1995	402	Water Reserve	2,000
1995	404	Streets	12,023

1995	450	Solid Waste	7,182
1994	001	Current Expense	29,477
1994	103	Arterial Street	3,324
1994	150	Revolving Rehab	108,375
1994	302	Capital Improvement	16,587

In our opinion, except for the incorrect budget information presented in the fund statements listed above, the financial statements referred to above present fairly, in all material respects, the recognized revenues and expenditures of the funds of the Town of Marcus for the fiscal years ended December 31, 1995 and 1994, on the cash basis of accounting described in Note 1.

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

December 31, 1996